

**Saturn Insurance Inc.  
40 Main Street - Suite 200  
Burlington, VT 05401  
"the Company"**

**REMEDIAL ACTION POLICY**

**POLICY NUMBER** [insert policy number]

THIS IS A CLAIMS MADE POLICY. COVERAGE IS LIMITED TO LIABILITY FOR CLAIMS FIRST MADE AGAINST AN INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY.

**DECLARATIONS**

**Item 1. Named Insured:**

BP Corporation North America, Inc. and/or all of its subsidiary and affiliated entities (including, but not limited to corporations, partnerships or joint ventures, in each case limited to the Named Insured's direct or indirect ownership interest in any such entities), as well as any former subsidiary, associated or financially controlled company, as may now or hereafter be constituted or acquired, including any other entity (including but not limited to any corporations, partnerships or joint ventures, in each case limited to the Named Insured's direct or indirect ownership interest in any such entities) for which the Named Insured has assumed control or responsibility.

**Additional Named Insureds:** [insert additional named insureds]

**Item 2. Mailing Address:** 501 Westlake Park Boulevard  
Houston, TX 77079

**Item 3. Policy Period:** [Date] to [Date] at 12:01AM Standard Time at the Named Insured's address shown above.

**Item 4. Coverage:** This policy only provides coverage for Remedial Action as set forth in the policy.

**Item 5. Covered Location:**  
Address of site

Name of site

Site ID Number [X]

Permit Number (if applicable)

Consent Decree / Administrative Order (if applicable)

**Item 6. Limits of Insurance:**

**Response Costs Face Amount:** \$ ☒

**Policy Aggregate Face Amount:** \$ ☒

**Item 7. Policy Retroactive Date**

**Item 8. Deductible:** \$0 Each Occurrence

**Item 9. Premium:**

**Saturn Insurance Inc.**

By: \_\_\_\_\_  
Authorized Representative

SAMPLE

## REMEDIAL ACTION POLICY

THIS IS A "CLAIMS-MADE AND REPORTED" POLICY. THE POLICY REQUIRES THAT A CLAIM BE MADE UPON THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF ANY. PLEASE READ CAREFULLY.

In consideration of the payment of the premium, in reliance upon the statements in the Declarations and Application made a part hereof and subject to all the terms of this Policy, the Company agrees with the **Named Insured** as follows:

### SECTION I. COVERAGES - Insuring Agreement.

The Company agrees to pay on behalf of the **Insured**, subject to the limits of liability of this Policy, **Response Costs** incurred for **Remedial Action** undertaken pursuant to **Consent Decree** for a **Covered Location**. For this coverage to apply:

1. The **Named Insured** or the **Regulatory Agency** must make a written **Remedial Action Claim** for **Response Costs** to the Company during the **Policy Period**; and
2. The **Named Insured** or the **Regulatory Agency** must routinely report the **Response Costs** to the Company in a timely manner during the **Policy Period**.

### SECTION II. EXCLUSIONS

This insurance does not apply to expenses, losses, liabilities, or damages of any kind incurred by, accruing to, or alleged to be liabilities of the **Insured**, by reason of:

- A. Any criminal or civil penalties imposed by reason of the violation of any law or regulation.
- B. Any third-party claims for **Bodily Injury** or **Property Damage**.
- C. Any expenses, charges or costs resulting from the defense and/or investigation of any liability or obligation for **Response Costs** hereunder. However, this exclusion shall not apply to any investigations required for compliance with the **Remedial Action** at **Covered Locations** including but not limited to investigation of groundwater quality, hydrogeology, and chemical fate and transport.

### SECTION III. CLAIMS PROVISIONS

Any notices required by these conditions shall be sent to:

Saturn Insurance Inc.  
c/o Willis Management (Vermont), Ltd.  
40 Main Street - Suite 200  
Burlington, VT 05401

1. The Company, upon receipt of a **Remedial Action Claim**, shall review and issue payment as directed by the **Regulatory Agency** for all undisputed **Response Costs** within thirty (30) days of receipt of the **Remedial Action Claim** and all necessary information verifying the amount of the **Response Costs** for which reimbursement is being sought. The Company further agrees to notify the **Insured** and the **Regulatory Agency** in writing within thirty (30) days of receipt of any **Remedial Action Claim** made for **Response Costs** what amount, if any, of the **Remedial Action Claim** is in dispute and what back up information is needed to resolve the dispute. The

Company, the **Insured** and the **Regulatory Agency** agree to cooperate to resolve any dispute, and if a dispute cannot be resolved promptly, to submit the same to binding arbitration upon the request of the **Insured** on or after the expiration of thirty (30) days after the submission of any statement or bill of expenditures for **Response Costs** by the **Regulatory Agency**, which arbitration shall be conducted, in accordance with the rules and regulations outlined in the American Arbitration Association guidelines.

2. The Company may only disburse those funds from the Policy that the **Regulatory Agency** approves in writing.
3. In the event of **Financial Default** by the **Insured** at a **Covered Location** and upon written direction of the **Regulatory Agency**, the Company guarantees that funds, up to the **Response Costs Face Amount** shown in the Declarations for the same **Covered Location**, will be available to pay **Response Costs** for such **Covered Location** to such party or parties as the **Regulatory Agency** specifies.
4. The funds from the Policy identified in the Declarations as **Response Costs** will be utilized solely for the purpose of conducting **Remedial Action** at the specified **Covered Location**.

#### SECTION IV. DEFINITIONS

- A. Additional Named Insureds** means all persons or entities designated as such in Item 1 of the Declarations.
- B. Bodily Injury** means bodily injury, sickness, disease, fear of sickness or disease, mental anguish and mental injury, emotional distress, psychic injury, or disability including care, loss of services or death resulting therefrom.
- C. Contaminant** means any hazardous waste or hazardous constituent released at or from the **Covered Location(s)**. Contaminant shall include asbestos and asbestos containing material that is no longer serving its intended purpose.
- D. Consent Decree** means the following Decrees:
1. [Insert citation to consent decree (or Administrative Order), if applicable]
- E. Covered Location** means any **Hazardous Waste Facility** specifically identified in Item 5. of the Declarations, or any other location specifically endorsed onto this Policy as a **Covered Location**.
- F. Financial Default** means the failure of the **Insured** to perform the **Remedial Action(s)** at a **Covered Location** as required by the applicable law and the applicable **Consent Decree**, Administrative Consent Order, or other Remediation Agreement.
- G. Hazardous Waste Facility** means the facility designated by legal description in the Declarations which has received authorization from a **Regulatory Agency** to engage in the treatment, storage or disposal of hazardous waste and includes one or more **Hazardous Waste Management Units**.
- H. Hazardous Waste Management Unit** means a surface impoundment, waste pile, land treatment area, landfill cell, incinerator, tank (and associated piping), container storage area, and the underlying containment systems for any of these located on, within or under a **Hazardous Waste Facility**.

- I. Insured** means the **Named Insured**, all **Additional Named Insureds** and any trustee, principal, member, director, officer, partner or employee thereof while acting within the scope of his/her duties as such, and any person or entity designated as an additional insured by an endorsement issued to form a part of this Policy.
- J. Named Insured** means the person or entity designated as such in Item 1 of the Declarations.
- K. Policy Aggregate Face Amount** means the maximum limit of liability that the Company will pay for all **Response Costs** for all **Covered Locations** designated in the Declarations.
- L. Policy Period** means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation of this Policy.
- M. Property Damage** means:
1. physical injury to or destruction of tangible property, including the personal property of third parties; or
  2. loss of use of such property that has not been physically injured or destroyed; or
  3. diminished third party property value.
- N. Regulatory Agency** means the [Title, Agency] or any agency that becomes responsible for the supervision of **Remedial Action**.
- O. Remedial Action** means Remedial Investigation and Feasibility Study, Remedial Design, implementation of the Record of Decision, operation and maintenance, and other measures or actions necessary to complete **Work** specified in the **Consent Decree**.
- P. Remedial Action Claim** means a request by the **Insured**, or by the **Regulatory Agency** in the event of **Financial Default**, for payment of **Response Costs**, for which the **Insured** is liable, by reason of a **Remedial Action** at a **Covered Location** in accordance with the **Consent Decree** provided that such request is first submitted in writing to the Company during the **Policy Period**.
- Q. Response Costs** mean all costs associated with the development and implementation of a **Remedial Action** including all direct and indirect capital costs, engineering costs, and annual operation, maintenance and monitoring costs. Such costs, when applicable, shall include, without limitation, costs for preparation of plans specified in the **Consent Decree**, investigation, sampling and analysis, remedial design, construction of all facilities and process equipment, labor, materials, construction equipment and services, land purchase, land preparation/development, relocation expenses, systems start up and testing, facility operation, maintenance and repair, continuous effectiveness monitoring, periodic site condition reviews, and legal, administrative, over site and capital costs.
- R. Response Costs Face Amount** means the Company's maximum limit of liability for **Response Costs** for the specific **Covered Location** as designated in the Declarations.
- S. Work** means the satisfactory completion of all activities the **Insured** is required to perform under the **Consent Decree**.

## SECTION V. LIMIT OF LIABILITY AND DEDUCTIBLE

- A. With respect to the scheduled **Covered Location** shown in the Declarations, the Company's total liability for all **Response Costs** shall not exceed the limit of liability shown in the Schedule as the **Policy Aggregate Face Amount**.
- B. Subject to subsection (A) above, the maximum policy liability for **Response Costs** at the scheduled **Covered Location** shall not exceed the **Response Costs Face Amount**, regardless of the number of:
  - a. facilities shown in the Declarations;
  - b. **Insureds** under this policy; or
  - c. **Claims** made or suits brought.
- C. The Company shall pay any applicable deductible amount and upon notification to the **Insured** or the **Insured's** representative of such payment, the **Insured** shall promptly reimburse the Company for the amount so paid.

## SECTION VI. CONDITIONS

- A. **Inspection and Audit** - The Company shall be permitted but not obligated to inspect, sample and monitor on a continuing basis a scheduled **Covered Location** at any time. Neither the Company's right to make inspections, sample and monitor, nor the actual undertaking thereof nor any report thereon, shall constitute an undertaking, on behalf of the **Insured** or others, to determine or warrant that the **Covered Location** or the operations at the **Covered Location** are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation. The Company or its designee may examine and audit the **Insured's** books and records at any time during the **Policy Period** and extensions thereof, as far as they relate to the subject matter of this insurance, and within any periods of **Remedial Action** for which coverage is provided regardless of whether the Insurance provided by this Policy has expired.
- B. **Cancellation** - The Company may not cancel, terminate or fail to renew the policy except for failure to pay the premium. The automatic renewal of the policy must, at a minimum, provide the **Insured** with the option of renewal at the face amount of the expiring policy. If there is a failure to pay the premium, the Company may elect to cancel, terminate, or fail to renew the policy by sending notice by certified mail to the **Insured** and the **Regulatory Agency**. Cancellation, termination, or failure to renew may not occur, however, during the one hundred twenty (120) days beginning at the receipt of the notice by both the **Regulatory Agency** and the **Insured** as evidenced by return receipt. Cancellation, termination or failure to renew may not occur and the policy will remain in full force and effect in the event that on or before the date of expiration:
  - 1. The **Insured** is named as a debtor in a voluntary or involuntary proceeding under Title II (Bankruptcy), US Code; or
  - 2. The premium due is paid in full.
- C. **Automatic Extended Reporting Period**— In the event that the Company elects to cancel, terminate, or not renew the Policy due to the failure to pay premium, coverage will nonetheless remain in full force and effect for a period of 5 years from the date of cancellation, termination, or non-renewal for the scheduled **Covered Locations** in the event that one or more of the following occurs:
  - 1. While this Policy was in effect the **Covered Location** was owned and operated by the **Insured** but subsequently the **Regulatory Agency** deemed the **Covered Location** abandoned at a time when this Policy was still in effect;

2. The permit for the **Covered Location** is terminated, revoked, or denied at a time when this Policy was in effect; or
3. Closure of the **Covered Location** is ordered by the **Regulatory Agency** or a US District Judge, or other court of competent jurisdiction at a time when this Policy was in effect.

**D. Representations** - By acceptance of this Policy, the **Named Insured** agrees that the statements in the Declarations and Application(s) are the insured's representations, that this Policy is issued in reliance upon the truth of such representations, and that this Policy embodies all agreements existing between the **Named Insured** and the Company or any of its agents relating to this insurance.

**E. Action Against Company** - No third-party action shall lie against the Company, unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial, expedited declaratory proceeding or by written agreement of the **Insured**, the claimant or **Regulatory Agency** and the Company, as applicable.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organization shall have any right under this Policy to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the Company be impleaded by the **Insured** or his legal representative. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations hereunder.

**F. Assignment** - This Policy may be assigned to another organization, corporate entity with the same parent or a third-party corporate entity, with the written consent of the Company, which consent shall not be unreasonably withheld, delayed, or denied.

**G. Changes** - Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy.

**H. Other Insurance** - This insurance is primary with respect to other valid and collectible insurance available to the **Named Insured**.

**I. Mutual Construction** - The Company and all **Insureds** agree that the rule of contract construction that ambiguities are to be construed against the drafter shall not apply to any dispute arising under this Policy. Any such ambiguity shall be construed to give effect to the mutual intent of the parties as expressed herein.

**J. Warranties** - The Company has issued this policy to provide financial assurance for **Response Costs** for scheduled **Covered Locations**. The Company hereby warrants that:

1. this Policy is to provide financial assurance for **Remedial Actions** at **Covered Locations** in accordance with the **Consent Decree**;
2. the **Remedial Action** funds will be available whenever **Remedial Action** begins; and
3. once **Remedial Action** begins, the Company will be responsible for paying out, at the Direction of the **Regulatory Agency**, funds up to an amount equal to the **Response Costs Face Amount** for the **Covered Locations** shown in the Declarations.

## SECTION VII. SERVICE OF SUIT

**Service of Suit** - It is agreed that in the event of any dispute under the Policy in which the **Regulatory Agency** or the **Named Insured** is a party, the Company, at the request of the **Regulatory Agency** or the **Named Insured**, will submit to the jurisdiction of the United States District Court in the state where the insured **Covered Location** is located. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Saturn Insurance Inc., c/o Willis Management (Vermont), Ltd., 40 Main Street - Suite 200, Burlington, VT 05401. or his or her representative, and that in any suit instituted against the Company upon this Policy, the Company, will abide by the final decision of such court or of any appellate court in the event of any appeal.

## SECTION VIII. CHOICE OF LAW

This Policy will be governed by and construed under the laws of the State of Vermont without regard to principles of conflicts of laws.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed by its president and secretary and signed on the Declarations page by a duly authorized representative(s) or countersigned in states where applicable.

SATURN INSURANCE INC.

By: \_\_\_\_\_  
Its duly authorized representative on behalf of the President and Secretary